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6 BEFORE THE WASHINGTON STATE  
7 OFFICE OF THE INSURANCE COMMISSIONER

8 IN THE MATTER OF THE  
9 APPLICATION REGARDING THE  
10 CONVERSION AND ACQUISITION  
11 OF CONTROL OF PREMIER BLUE  
12 CROSS AND ITS AFFILIATES,

No. G02-45

DECLARATION OF VICKI BLACK, M.D.

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WASHINGTON CITIZEN ACTION,  
WELFARE RIGHTS ORGANIZING  
COALITION, AMERICAN LUNG  
ASSOCIATION OF WASHINGTON,  
NORTHWEST FEDERATION OF  
COMMUNITY ORGANIZATIONS,  
NORTHWEST HEALTH LAW  
ADVOCATES, SERVICE EMPLOYEES  
INTERNATIONAL UNION  
WASHINGTON STATE COUNCIL,  
THE CHILDREN'S ALLIANCE,  
WASHINGTON ACADEMY OF  
FAMILY PHYSICIANS,  
WASHINGTON ASSOCIATION OF  
CHURCHES, WASHINGTON  
PROTECTION AND ADVOCACY  
SYSTEM AND WASHINGTON STATE  
NOW,

Applicants for Intervention.

1 I, Vicki Black, MD, declare:

2 1. I am the President of Washington Academy of Family Physicians  
3 (WAFP). I have been with WAFP for many years since I began practicing in Coulee  
4 City, Washington, and have worked on a variety of health related issues.

5 2. Washington Academy of Family Physicians is a member-driven  
6 nonprofit organization committed to supporting family physicians in their efforts to  
7 provide optimal health care to the people of Washington State through education,  
8 advocacy, research and political activism. We have supported a broad range of issues  
9 including establishment and expansion of the Basic Health Plan, expansions of  
10 Medicaid, and the Patient Bill of Rights; currently we are involved in developing  
11 means to make pharmaceutical medications more accessible for our patients.

12 3. WAFP represents over 2600 members state-wide. Based upon  
13 information and belief, a vast majority of our members have a significant interest in the  
14 Premera conversion because they are participating providers and/or group or  
15 individual contractors. For example, I am a contractor with Premera for patients in  
16 Yakima.

17 4. WAFP has a significant interest in the Premera conversion because  
18 our members are concerned about the impact of the conversion on access to affordable,  
19 quality health insurance. Premera's conversion may impact the company's continued  
20 participation in the Medicaid Health Options program, the Basic Health Plan, the State  
21 Children's Health Insurance program and on our member's patients' access to current  
22 providers. We are concerned that Premera, as a for-profit company, may make  
23 business decisions that increase the number of low-income working parents with  
24 inadequate or no health coverage, despite the commitment of at least one of Premera's  
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1 predecessor corporations, the Medical Services Corporation of Eastern Washington, to  
2 serving the needs of that population.

3           5.       WAFP's members are further interested in the Premera conversion  
4 because of the impact the transaction may have on provider reimbursement rates.  
5 Premera's change in mission from nonprofit to for-profit could result in reductions of  
6 reimbursement rates to providers in order to meet shareholder profit demands.  
7 Primary Care is already reimbursed at a very low level. Any decrease will threaten the  
8 existence of many family practices that are the backbone of the health care system in all  
9 areas of the state and most critically in rural areas. Cuts in reimbursement rates may  
10 exacerbate the existing exodus of physicians from rural areas of the state.

11           6.       WAFP members are beneficiaries of the nonprofit assets held by  
12 Premera, and have a significant interest in how the proceeds from a conversion are  
13 protected and dedicated. WAFP members are concerned that the full value of  
14 Premera's assets accumulated during nonprofit status be retained for future health care  
15 use to address unmet health care needs in Washington State.

16           7.       If full intervention status is granted, WAFP, together with the  
17 other ten consumer and provider organizations that have jointly sought intervention  
18 status, plans to obtain a study of the health impact of the proposed Premera conversion  
19 on Washington state consumers. The health impact study will particularly consider the  
20 potential impact of the conversion on access to care for consumers enrolled Medicaid,  
21 the Basic Health Plan, the State Children's Health Insurance Program and for low-  
22 income rural health consumers. The health impact study will require discovery  
23 regarding Premera's current and future business operations.

24           8.       WAFP has substantial expertise and knowledge regarding health  
25 care conversion issues. WAFP's efforts on conversions are lead by Robert Crittenden,  
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1 MD, MPH, who is Associate Professor at the University of Washington School of  
2 Medicine, and Chief of Family Medicine Service, at Harborview Medical Center. Dr.  
3 Crittenden has represented WAFP in its efforts on the proposed merger of The Regence  
4 Group and the Health Care Services Corporation in 2001; and the development of  
5 health care conversion legislation in past legislative sessions. Dr. Crittenden also  
6 worked on health care conversion issues nationally, in his role as a Board Member of  
7 the consumer health care organization, FamiliesUSA.

8 I declare under penalty of perjury of the laws of the State of Washington  
9 that the foregoing is true and correct.

10 DATED this \_\_\_\_ day of November, 2002, at Seattle, Washington.

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13 Vicki Black, M.D.  
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